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2 Israeli Spy Probes Fault Leadership

Reports Cite Responsibility, but Not Knowledge, in Pollard Case

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JERUSALEM, May 26—Two official inquiries into the Jonathan Pollard spy affair tonight reported that Israel's senior political leaders bore responsibility for failing to uncover and end the espionage operation in the United States but did not recommend action against them.

Taken together, the two reports constitute an unprecedented attack on the abilities of Israel's top lead-

In a critical report, a seven-member parliamentary subcommittee singled out Defense Minister Yitzhak Rabin and his predecessor, Moshe Arens, now a minister without portfolio. It said the two men bore ministerial responsibility for the affair, which has seriously strained U.S.-Israeli relations, because the spy agency involved, since disbanded, operated inside their ministry.

The report also criticized Foreign Minister Shimon Peres, who was prime minister when the Pollard affair was disclosed in November 1985, and Prime Minister Yitzhak Shamir, saying the two leaders shared responsibility along with Rabin for the government's failure to live up to commitments made to the United States after Pollard was exposed and arrested.

Contrary to government statements at that time, the report said, the Pollard affair was "not a rogue operation" but one conducted by Israeli officials using official resources, although neither panel found evidence that it was known or approved by the country's leadership.

A second report, from a twomember committee appointed by the Cabinet, also charged a lack of proper supervision of the spy unit but said the responsibility should be shared among the entire Cabinet and not just by the four leaders named by the panel of the Knesset, or parliament. The chairmen of both panels said it was up to the Knesset and the public to determine what penalties should be applied to the leadership.

Shamir told reporters the coalition government had no intention of resigning. He disparaged the two reports, commissioned in March under intense pressure from angry American leaders, telling reporters, "The mountain was really a molehill and the earth did not move." The Cabinet will meet Wednesday morning to discuss how to respond to the panels.

The government includes both of Israel's major factions, the Labor Alignment, to which Peres and Rabin belong, and the Likud bloc, led by Shamir and Arens. Many analysts expect the two sides will band together to stave off any effort to force resignations. Nonetheless, the cumulative impact of the reports could force changes in the ruling troika of Peres, Rabin and Shamir.

Pollard, an American Jew, was working as a U.S. Navy intelligence analyst in 1984 when he was recruited to spy for Israel. He sold defense secrets to operatives of a small spy unit called the Scientific Liaison Bureau until his arrest the following November. He is serving a life sentence for espionage.

After his arrest, Israel expressed regrets, branded the affair "a rogue operation," disbanded the spy bureau and pledged to "call to account" those responsible. But two of the Israeli principals in the case were given prominent positions and several of those questioned about the affair by American investigators gave incomplete or misleading answers, leading to accusations from Washington and from incensed American Jewish leaders of a cover-up.

The Israeli Cabinet then responded by endorsing the investigation by the intelligence subcommittee of the Knesset's Foreign Affairs and Defense Committee, headed by former foreign minister Abba Eban. It also appointed a two-member panel chaired by Tel Aviv lawyer Yehoshua Rotenstreich.

Eban's report was the more sharply critical of the two, singling out several civil servants and Cabinet ministers for extensive criticism. It accused the head of the intelligence bureau, veteran spy master Rafael Eitan, of "a gross excess of authority" in plunging Israel into a serious crisis with its most important ally in apparent violation of official guidelines prohibiting spying against the United States.

It also criticized the judgment of Air Force Col. Aviem Sella, who recruited and handled Pollard for several months while on special assignment. It said Sella "excessively involved himself on his own initiative," and it also indicated that he may have liedin his testimony to the panel about the extent of his role.

Sella was indicted by a federal grand jury in Washington in March for his role in the affair. His promotion to command one of Israel's largest air bases set off a storm of controversy in the United States and he eventually resigned from the new post citing his concern for U.S.-Israeli relations.

The panel criticized Sella's military superiors, Army Chief of Staff Moshe Levy and Air Force Commander Amos Lapidot, for allowing him leave to take part in what they surmised was a sensitive espionage mission. It also criticized Menachem Meron, former top civil servant in the Defense Ministry, for not supervising Eitan's bureau more closely.

But it reserved its strongest attacks for ministers Rabin and Arens. "Our main complaint," Eban said at a press conference, referring to the two men, "was their lack of knowledge, their lack of direction, their lack of criticism, supervision and curiosity. They did not ask at any time, "What is going on in this operation?"

Arens, who was defense minister for the first few months after Pollard was recruited, testified that he was unaware that Eitan, who also held the post of antiterrorism adviser to the prime minister, was involved in intelligence matters.

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The report said Eitan contradicted Arens' testimony, saying his bureau issued several intelligence reports that should have alerted Arens to its activities.

Similarly, in the case of Rabin, Eban said he "did not show the most elementary curiosity about the operation" at a time when, according to the report, "the most sensitive type of intelligence material was arriving at a fast pace." His report accused Rabin, a former prime minister, of failing "to follow up or increase supervision as he should have done" during the 14 months when Pollard was in operation and white Rabin was defense minister.

After Pollard was arrested, the report went on, Peres, Shamir and Rabin did not follow up to ensure that the government gave the full cooperation it had pledged to the United States. It criticized the promotions of Sella and Eitan, who became chairman of the country's largest state-owned company.

"All three of them share responsibility for these decisions," said the report. "Since Shimon Peres was the head of the team that handled the affair, he has greater parliamentary responsibility."

The Rotenstreich report also contended that the ruling troika, known here as the Prime Ministers' Club, "did not take care to clarify facts sufficiently before transferring them to the U.S. authorities," an apparent attempt to explain how incomplete or false information was given to federal investigators. It added that the entire government should share the blame.

Peres said tonight that he accepted responsibility for his role in the affair. "What crime did I commit?" he asked angrily. "I will take responsibility with honor. I have nothing to apologize for or regret."

Both he and Rabin attacked the Eban panel as politically tainted. The seven-member subcommittee consists of three Laborites, three from the Likud bloc and a member of a small religious party who was absent from crucial meetings on the report. The six remaining members agreed on most of the findings but split ranks on the issue of Peres' role, with one of the Likud members suggesting in an addendum that Peres may have lied in testimony to the panel.

Rabin is a longtime political enemy of Eban, although they are members of the same party and there has been much speculation that the subcommittee chairman would even the score with Rabin, who ousted Eban as foreign minister in 1974 when Rabin became prime minister.

When the troika discovered that Eban's report would be released today, they reportedly pushed Rotenstreich to hand in his report as well in the hopes that his findings would be milder and dull the impact of the other panel.

But political observers said that the two together may compound the impression that the leadership erred badly in the Pollard affair and increase pressure for resignations. The most likely candidate for resignation is said to be Rabin, 65, who reportedly is tired and angry over criticism of his role in promoting Sella and may be considering retirement.